

1 Q How long have you been employed as the Financial  
2 Assistant for KMHL Broadcasting Company?

3 A I believe it's around 10 years, 11 years.

4 Q And the ownership of, of that by Minnesota Valley  
5 has been constant throughout that period?

6 A That is correct.

7 Q And your father has been the, the majority  
8 stockholder of Minnesota Valley Broadcasting throughout that  
9 period?

10 A Yes, my father has.

11 Q Are there other, other stations not directly  
12 affiliated with, with Minnesota Valley or KMHL Broadcasting  
13 Company that are owned directly by your father or other  
14 members of your family?

15 A Would you ask that question again, please?

16 Q I'm trying to get -- my question is whether there  
17 are other stations other than those that you've identified  
18 which are owned by entities in which your father or other  
19 family members are stockholders or partners if that's the form  
20 of the entity?

21 A Yes. My father owns -- the majority owner of KKSI  
22 in Eddyville and that's all.

23 Q Does your brother -- do you have a brother by the  
24 name of, of John?

25 A Yes.

1 Q Does he have any ownership interests?

2 A Oh, yes. He has, I believe, approximately the same  
3 ownership interest in Minnesota Valley Broadcasting Company, 9  
4 or 10 percent or something like that.

5 Q He has no other broadcast interests at this point?

6 A Radio stations?

7 Q Yes.

8 A I don't think he does.

9 Q He has had in the past but disposed of them?

10 A Yes, I believe so.

11 Q And you, you personally have another interest in St.  
12 James?

13 A Yes, I have an interest in St. James. It's 49  
14 percent.

15 Q 49 percent stock interest or partnership interest?

16 A Partnership interest.

17 Q And who is the majority partner?

18 A Richard Rogers, Rogers.

19 Q And you acquired that interest, as I understand it,  
20 through a settlement of a proceeding such as this involving  
21 competing applications for St. James some years ago? Is that  
22 correct?

23 A Yes, we did so.

24 Q That station's been built and is on the air now?

25 A Yes, it is.

1           Q     Have you -- how long has the station been on the  
2 air?

3           A     Since early 1993, January 7th or so, I believe.

4           Q     Were you personally involved in, in any aspect of  
5 this construction?

6           A     I helped finance the construction.

7           Q     Above and beyond your 49 percent interest or, or  
8 just to that extent?

9           A     It was, it was split on any costs, on any loans,  
10 that we would share them according to our percentage interest.

11          Q     So that's the -- the extent of your participation  
12 has been to make your partnership capital contributions or  
13 however they're -- your share of financing for the  
14 construction?

15          A     That is correct.

16          Q     And with respect to the operation of that station,  
17 have you had any, any management responsibilities?

18          A     What do you mean by responsibilities?

19          Q     Well, I'll try the word activities. Do you  
20 understand the word activities?

21          A     Yes.

22          Q     Okay. Have you had any management activities with  
23 respect to that station?

24          A     I would say very little. Rick Rogers would call me  
25 up and he'd say, "I've talked to this tower company and this

1. It won't be as good as much and it seems like a good bargain!

1 A Well, I do the payroll and --

2 B [REDACTED]

1 | employment by KMHL, do you have a, a responsibility for, for  
2 | filing required reports with the Federal Communications  
3 | Commission?

4 |       A     It has differed in different years. I think some of

1 to him that I've been looking for them?

2 A Yes, he has.

3 Q Did you make an effort to locate copies of those  
4 reports?

5 A I believe he mentioned that yesterday or the day  
6 before.

7 Q All right. So you haven't had a chance to check to  
8 see whether they're available? Correct?

9 JUDGE FRYSIK: You shook your head meaning no? I  
10 didn't hear your answer.

11 WITNESS: Oh, I'm sorry. I -- what was the  
12 question?

13 BY MR. WARD:

14 Q The question was whether you've had a chance to  
15 determine whether as a matter of fact those reports were filed  
16 for '91 and '92?

17 A No, I have not.

18 Q But that's normally the type of thing that would be  
19 your responsibility as opposed to Mr. McVey or your father who  
20 are the only other officers --

21 A Not completely true. I -- Mark had been doing some  
22 of the paperwork down at KSSI and I can't remember in 1992 if,  
23 if he did it or I did it. I'm not sure. I do know that in  
24 1993 that I remember doing them.

25 Q But this was just last month?

1           A     Uh-huh.

2           Q     Yeah. And when you say -- when you talk about doing  
3 the payroll, what -- how do you -- you implied that -- well, I  
4 think you did discuss doing the payroll for Minnesota Valley  
5 stations was less of a, less of a burden on you than doing the  
6 payroll for the other stations because it came -- they came to  
7 [REDACTED] is essentially done. What do you mean when you say doing



1 Q Would it be correct that he defers to you if a  
2 disagreement arose or the other way around or have you ever  
3 had a disagreement?

4 A Well, if someone feels strongly about something, I  
5 try to leave a lot of leeway as a general rule, but  
6 ultimately, yes, he would listen to me.

7 Q Is Mr. McVey involved at all in hiring and firing  
8 decisions at Eddyville?

9 A Not the decisions, he isn't. He's made suggestions  
10 and brought up names, that sort of thing, but no, he doesn't  
11 make the decisions.

12 Q Now, Ms. Sample was hired by Olde Towne  
13 Communications sometime before you became a stockholder. Is  
14 that, is that correct?

15 A Yes, it is.

16 Q Did your responsibility as you always described it  
17 with respect to Eddyville, did that, did that predate the time  
18 that you became a stockholder?

19 A Yes.

20 Q You were involved in this to the same extent in  
21 terms of determining payroll and participating with the  
22 General Manager and employment decisions? You were involved  
23 even before you became a stockholder? Correct?

24 A In an evolutionary way, yes.

25 Q And since you were not a stockholder and you were

1 | doing so, what, on behalf of your father? Would that be --

2 |       A     That is correct.

3 |       Q     On behalf of his interest?

4 |       A     Yes.

5 |       Q     And you ultimately then acquired 25 percent in Olde  
6 | Towne from -- well, you tell me. From whom did you acquire  
7 | the interest?

8 |       A     John Linder, some stock from John Linder and some  
9 | stock from Don Linder.

10 |       Q     Don Linder being your father?

11 |       A     Yes.

12 |       Q     Did you pay for that stock or was it a gift?

13 |       A     I paid for it.

14 |       Q     Do you recall how much you paid for it?

15 |       A     It was approximately a couple thousand dollars.

16 |       Q     A couple thousand dollars per share or a couple  
17 | thousand dollars for the whole 25 percent?

18 |       A     For the whole, for the whole 25 percent. It was --  
19 | I'm not positive, but I believe it was like \$100 a share or  
20 | something like that. It was a substantial amount, but, but  
21 | not a, not a lot of money.

22 |       Q     Was that -- did you negotiate this price with your  
23 | father and brother or, or did you seek outside appraisal of  
24 | the fair market value of the stock or how was the price  
25 | derived?

1           A     Well, I believe it was the -- what they call the  
2 capitalization price of the stock or something like that.  
3 It's what the stock was traded at.

4           Q     You mean the par value?

5           A     Par value.

6           Q     The par value as set forth in the Articles of  
7 Incorporation?

8           A     Yeah.

9           Q     Which is the same price that it was initially issued  
10 for?

11          A     Yes.

12          Q     Without regard to its fair market value. And the  
13 result of that was that your father -- neither your father nor  
14 your brother received, received any capital gain as a result  
15 of that transaction?

16          A     It was sold at the par value because the value of  
17 the station would have been hard to, to ascertain and the  
18 company didn't have much capitalization.

19          Q     All the money's been put in by loans? Is that what  
20 you're saying?

21          A     Essentially.

22          Q     And you made those loans or have they all been from  
23 your father or, or how -- who --

24          A     My father has made most of them. I've made some of  
25 them.

1 Q And they -- have they -- they're personal loans or  
2 have they been through other, other broadcast companies that  
3 are owned by you or your family?

4 A They've been personal loans.

5 Q Now, who is the current General Manager of KKSI?

6 A The current General Manager is Pat Flaherty.

7 Q And how long has he been manager?

8 A I believe he was -- they filled the title of General  
9 Manager sometime in 1991.

10 Q Had he been working for the station in some lesser  
11 capacity?

12 A He had been a salesman for --

13 Q I'm sorry?

14 A He was a salesperson, sales representative.

15 Q For, for KKSI?

16 A Yes.

17 Q Did you give any consideration to promoting Carmella  
18 Sample to General Manager at that time?

19 A No, no consideration of that because Pat Flaherty  
20 was already assuming a lot of the responsibilities of General  
21 Manager. He was -- he had rose to the occasion, so to speak.

22 Q And Ms. Sample was not as aggressive as Mr.  
23 Flaherty?

24 A She was busy in her own department.

25 Q And her department is news?

1           A     That is correct.

2           Q     She's never had any sales experience to your

3 knowledge. has she?

1 | periodically? Correct?

2 |       A     That is correct.

3 |       Q     So how many times had you met her or seen her?

4 |       A     It would be in the area of a dozen times.

5 |       Q     Between the time you first, first met her and the  
6 | time you first started talking to her about, about this  
7 | application?

8 |       A     Yes sir, that's correct, approximately 12 times

1 | you understand that she had had?

2 |       A     Well, at the time she gave me a complete history.  
3 | Right now I can remember that she worked at a T.V. station and  
4 | she went to college. She taught. I can't recall everything  
5 | she told me.

6 |       Q     Did she, did she mention any business which she'd  
7 | ever run?

8 |       A     I just can't remember. I can't recall if she did or  
9 | not. I vaguely remember that she, she had some, some  
10 | responsibilities.

11 |       Q     What kind of --

12 |       A     I'm not sure if it was a business or running a  
13 | classroom or what. I can't just remember.

14 |       Q     Well, it's your -- in your statement at page 2 you  
15 | -- speaking of her, you say, "She is very good at working with  
16 | others and resourceful, competent and someone who has the  
17 | ambition and ability to handle a start-up business and could  
18 | make a good business partner." My question is what -- on what  
19 | basis did you form the conclusion she has the ability to, to  
20 | run a start-up business?

21 |       A     Well, the way she did her work around the station.  
22 | I'd watch her and she was doing things that I, I found sort of  
23 | mind-boggling, the way she was calling people and working on  
24 | the tape recorder recording things and getting actuaries and  
25 | meeting her deadlines, and she seemed so capable. And then we

1 had an occasion to make a film together sometime in the spring  
2 of '91, I guess, and she was the one that was arranging the  
3 shots and going out and getting people to sign disclaimers.  
4 If we needed a crowd, she'd have it there real quick and I  
5 admired her ability to get the job done.

6 Q Were there any economic, economic responsibilities  
7 involved in any of these activities you've discussed? Did she  
8 have the obligation or responsibility for selling anything?

9 A I don't think there was selling with this activity,  
10 no.

11 Q Now, looking at your statement again, the very first  
12 -- on the very first page, in fact, the very first sentence,  
13 you say, "It was 1991 when I became aware of that a new a FM  
14 channel had been allocated to Eldon." You're not, you're not  
15 saying by this that until the channel was allocated by the  
16 Commission that you had no awareness that a -- an allocation  
17 had been proposed, are you? In other words, were you not  
18 aware that an allocation was being considered by the  
19 Commission before, before it was actually made?

20 A There was some talk, and I don't take all talk  
21 seriously, but something was going on in Eldon or somewhere  
22 down that --

23 Q And you don't know, you don't know whether you  
24 learned that -- learned of that through Mr. McVey or Mr.  
25 Lysiak or Mr. Neely or Mr. Miller or where, wherever?



1 A Learned of the allocation or learned of --

2 Q Learned of the proposal.

3 A The proposal. No, I really don't because different  
4 law firms send out the things that happen at the FCC.  
5 Sometimes I get copies of that. Sometimes I don't. Sometimes  
6 my brother will get a copy and he'll just toss it and I won't  
7 see it.

8 Q Does your law firm do that? Miller and Miller do  
9 that?

10 A They have been doing it.

11 Q I'm sorry?

12 A They have been doing it. I don't know if they  
13 always did it.

14 Q You don't know if they were doing it in 1991?

15 A Not for sure.

16 Q Now, several sentences down in that same first  
17 paragraph you, you say you asked either Garrett Lysiak of Owl  
18 Engineering or Mark McVey whether there would be any city  
19 grade service area overlap between KKSI and the Eldon station.  
20 The context of that suggests that you asked that question only  
21 after the allocation was actually made, rather than during  
22 some period when you were aware that it was being proposed but  
23 not yet before it was actually allocated. Is that is that a

1           A     I believe that's true. That would have been after  
2 the allocation had been made.

3           Q     You can't recall which of these two people it might  
4 have been that you asked that question of?

5           A     Not for sure, I couldn't, no.

6           Q     Have you asked either one of them to attempt to  
7 refresh your recollection on this subject as to whether,  
8 whether they recall being asked by you?

9           A     No.

10          Q     You haven't asked Mr. Lysiak whether, in fact, you  
11 did?

12          A     Could you repeat that, please?

13          Q     I say you haven't asked Mr. Lysiak recently, you  
14 know, in the context of the -- exhibit, whether you had asked  
15 him in the summer of '91 about the potential for, for locating  
16 an Eldon station that would not have prohibited 70 dBu overlap  
17 with KKSI?

18          A     No.

19          Q     You have not? Now, a couple of sentences down you  
20 say you were informed, "I was informed that it was possible to  
21 locate the Eldon station so that a city grade contour would  
22 not overlap that of KKSI." Who informed you?

23          A     I think it was Mark McVey.

24          Q     Did you -- do you have anything in your files --  
25 have you ever -- any evidence, did you ever receive anything

1 directly from Mr. Lysiak on the subject of 70 dBu overlap?

2 A No, I don't.

3 Q When Mr. McVey informed you or whoever it was  
4 informed you that such a -- that it would be possible to  
5 locate the Eldon station to avoid city grade overlap at the  
6 Eddyville station, did you ask him to send you a copy of the  
7 map demonstrating that or --

8 A No, I didn't. I'm not sure I was, was that  
9 interested in whether it did or not at the time.

10 Q Was it after, after being advised that this was a  
11 potential for a common ownership situation, was it after that  
12 -- learning that that you brought the subject to your father's  
13 attention?

14 A Yes, it would have been after that.

15 Q And he -- as you say here, he was disinterested?

16 A Yes, because at the time I wasn't interested, but I  
17 learned about it. I said -- asked my dad if he was  
18 interested. He was not at all interested.

19 Q Well, how long did it take for you to get  
20 interested, to go from being disinterested to interested?

21 A Well, probably a month or so. I don't know exactly.  
22 I can't remember.

23 Q Well, did you have your, your first conversation  
24 with Carmella about this application after you became  
25 interested or when you were still disinterested?

1           A     My first conversation with Carmella about this was  
2 when I was interested.

3           Q     When you were interested?

4           A     Yes.

5           Q     It would have been a waste of time to sit down and  
6 talk with her before you were actually interested, wouldn't  
7 it? It -- well, once you were interested, then did you, did  
8 you seek her out to discuss her possible interest or did she  
9 just fortuitously seek you out?

10          A     Well, I was -- I remember I was down in Oskaloosa  
11 and I was thinking about it and I remember asking her to  
12 coffee or out to lunch or something. I think I was going to  
13 bring it up and I think she actually then brought it up which  
14 surprised me a little bit.

15          Q     You didn't realize that she'd already been thinking  
16 about it?

17          A     No.

18          Q     That was your first clue that she had an interest in  
19 getting into ownership either generally or particularly in  
20 Eldon?

21          A     It was my first definite clue.

22          Q     But before she brought it up, you were already  
23 thinking that she would be a worthy or useful partner to you?

24          A     That is correct. I was thinking about it.

25          Q     Why did you feel you needed a partner?

1           A     Because I realized that I didn't have the time to  
2     -- and energy to give to the situation myself.

3           Q     Well, that's a good reason for not getting  
4     interested at all, but were you -- once you'd been told that  
5     it was possible to so engineer the Eldon frequency that you  
6     could avoid city grade overlap with, with the Eddyville  
7     station, did you consider at all just applying in your own --  
8     as a sole applicant much as you had for St. James, Minnesota?

9           A     Well, I didn't really consider it seriously because  
10    I understand that there'd be some people that -- at that point  
11    that were also going to apply for it, and they lived down  
12    towards that area and I wouldn't want to get involved in an  
13    application that was weak.

14          Q     But you -- if you had been led -- if you had thought  
15    that there was no -- there wasn't going to be any other  
16    applications, would you might well have filed for it in your  
17    own -- just Bruce Linder in your personal capacity?

18          A     I would have, but I would have understood that I, I  
19    couldn't run and manage it myself.

20          Q     Well, but you applied for the St. James station a  
21    year or so earlier, the station at St. James, Minnesota,  
22    personally? Correct?

23          A     That is correct, yes. St. James is only about 30  
24    miles away.

25          Q     30 miles away from what?

1           A     Where I spend my working time.

2           Q     From Mankato?

3           A     Yes.

4           Q     But you're not suggesting that, that absentee  
5 ownership hasn't worked for the -- for you and members of your  
6 family, are you?

7           A     I think that's debatable.

8           Q     Well, I won't pursue that. But, I mean, at the  
9 present time you're absentee owners of the Eddyville station  
10 but you get down there every couple or three weeks.

11          A     Sometimes. Sometimes it's less and sometimes it's  
12 more depending on how much I feel they need me.

13          Q     The bottom line was that you wanted to, you wanted  
14 to have a partner or a --

15          A     That's really the only way I could approach it, I  
16 think.

17          Q     Okay. And you mentioned your awareness that there  
18 was a high probability that there would be a competing  
19 application. Was it not also a concern of yours that, that  
20 you -- in order for you and your partner to succeed, that you  
21 would have to be a passive investor so that your broadcast  
22 interests and your non-residence would not be attributed to  
23 the applicant?

24          A     I was aware of it, but the application that we have  
25 is a strong one.

1 Q By that you mean strong in the --

2 A Local owner/manager, someone who lived in the area  
3 and someone who's a female and someone who's a minority.

4 Q Strong from an FCC comparative criteria standpoint?

5 A Yes, I was aware of that.

6 Q That is so long as your, so long as your 60 percent  
7 equity interest isn't attributed and thus -- so long as your  
8 other broadcast interests and your non-residence don't get  
9 attributed to Sample Broadcasting?

10 A Yes, I was aware of that.

11 (End of Tape 2. Beginning of Tape 3.)

12 Q So how did you become aware that -- how did you  
13 become aware of the Commission's comparative criteria in these  
14 respects?

15 A Oh, I think from my talking with attorneys and  
16 reading about it in broadcasting magazines.

17 Q But in the -- you mentioned -- you referred to the  
18 St. James application which had been filed a year or two

1 applicants.

2 Q In the context of that, of that application, you  
3 were represented in that application by the same firm that  
4 represents your group here today? Correct?

5 A That is not correct.

6 Q No? Who were you represented by?

7 A When I initiated that application it was done, I  
8 believe, Gardner, Carpenter and Davis, some other law firm.

9 Q Gardner, Cartner and Douglas?

10 A Yeah.

11 Q When you filed the application they represented you?

12 A That is correct.

13 Q Isn't it true that by the time you reached the  
14 settlement stage you were being represented by, by Miller and  
15 Miller?

16 A That is correct.

17 Q Was that the first application that you -- for a new  
18 facility that you were directly involved in as a owner?

19 A No, that isn't. I applied for a station up in  
20 Pelican Rapids, Minnesota.

21 Q Did you apply there in your own name individually or  
22 --

23 A I did.

24 Q You didn't have any partners?

25 A No, I didn't.



- 1 Q How long ago was that?
- 2 A It was a couple of years ago. I don't know exactly.
- 3 Q Did you propose to be involved in that operation of
- 4 that station full time?
- 5 A Yes, I did.
- 6 Q How far is Pelican Rapids from Mankato?
- 7 A It's about seven hours or so. It's a long way away.
- 8 Q Further away than, than Eldon?
- 9 A Yes. In Pelican Rapids I was excited about it
- 10 because it was a resort area that I enjoyed.
- 11 Q A summer resort area or winter resort area?
- 12 A It's the only resort area that's in Minnesota that's
- 13 summer. No, I take that back. That's not true. There's
- 14 skiing resort areas in Minnesota, too.
- 15 Q But Pelican Rapids is not one of them?
- 16 A It's golf and fishing.
- 17 Q Well, whose idea was it that this entity that we see
- 18 here today would be a limited partnership?
- 19 A Well, it was probably mostly my idea.
- 20 Q As opposed to Ms. Sample's?
- 21 A I told her that if I were to get into something like
- 22 this, the only way I could do it was as a limited partner.
- 23 Q And did you explain to her why?
- 24 A I believe I did.
- 25 Q Well, what would that explanation have consisted of?